



# U.S. Trade Center News

Spring 2005

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## Biggest Ever Trade Show in 2005

The U.S. Embassy, with the American Chamber of Commerce in Bangladesh, co-hosted the fourteenth annual U.S. Trade Show from February 16-18, 2005. This year's show was held at the Dhaka Sheraton and attracted an estimated 22,000 visitors. Like 2004, 75 firms participated in the show but this year's trade show had 124 booths - so far the largest number of booths on display in the history of the annual Trade Show.



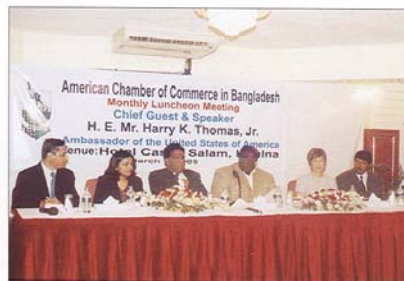
*The U.S. Trade Show opening ceremony*

The show was kicked off on the evening of the 15<sup>th</sup> with a welcome dinner, sponsored by Bangla Cat (Caterpillar's local agent), for participating firms. The visiting Special Trade Policy Advisor from the Office of the United States Trade Representative (USTR), Ms. Betsy E. Stillman, delivered the keynote speech. Foreign Minister Morshed Khan officially inaugurated the show on the morning of the 16<sup>th</sup>. Ambassador Harry K. Thomas, along with representatives of the media and American and local firms, participated in the opening ceremony. On the evening of the 15<sup>th</sup>, Ambassador Thomas hosted a reception (sponsored by Insoft Systems Ltd.), which drew over 500 business leaders and government officials.

An informal survey of Trade Show participants indicates that several American firms at the event completed sales and developed leads that are expected to result in significant sales. The Fifteenth Annual U.S. Trade Show is tentatively scheduled for February 2006. We hope to see you there!

## America Week in Khulna, Southwest of Bangladesh

America Week is a weeklong event highlighting commercial, cultural, consular, and USAID programs. The U.S. Embassy held its fourth America Week in Khulna, the southwest region of Bangladesh, from February 28 to March 2, 2005. The event followed successful annual America Weeks in Chittagong, Sylhet, and Rajshahi in the last three years. This year's event highlighted Khulna's significance as an important economic region with a functioning port and a growing Export Processing Zone in Mongla.



*AmCham lunch during America Week*

Officials from the Embassy's U.S. Trade Center, headed by **Ms. Dayle Rebecca Johns**, and the U.S. Foreign Agriculture Service were on hand throughout the week counseling local businessmen on buying goods and services from the United States and distributing information on the Embassy's commercial services. This year, representatives of six U.S. corporations active in Bangladesh joined the Trade Center in Khulna: Caterpillar, Cargill, Double-Cola, Pepsi Foods, Imexco, and Jordana Cosmetics. The Embassy's Trade Center organized a catalog show to coincide with America Week and the American Chamber of Commerce (AmCham) relocated its monthly luncheon to Khulna.

USAID partners used exhibit booths, presentations, and site visits to highlight their projects, and the Embassy's Consular Section conducted briefings for students on the visa process. (America Week photos and the Ambassador's remarks at the opening ceremony are posted on our website: [www.usembassy-dhaka.org](http://www.usembassy-dhaka.org)). Stay tuned for more information about our next America Week event!

**BuyUSA.com** is an Internet service. Registration is free. Once registered, you will find thousands of qualified U.S. companies who are ready to do business with you. For more information, please contact Md. Yousuf, at 885-5500, ext 2902.



## U.S. Trade Balance with Bangladesh

Data represent commercial (deliveries) trade. Totals do not include exports from export processing zones and exports tied to donor or grant assistance.

### Trade with Bangladesh: 2004

*Note: All figures are in millions of U.S. dollars*

Month	Exports	Imports	Balance
January	11.5	173.7	-162.1
February	21.9	167.0	-145.0
March	23.4	152.3	-128.9
April	19.9	156.9	-136.9
May	28.2	142.3	-114.0
June	24.5	202.0	-177.5
July	29.1	233.8	-204.6
August	26.0	243.5	-217.5
September	22.8	249.2	-226.5
October	22.6	236.3	-213.7
November	22.8	186.0	-163.2
December	36.6	159.7	-123.1
<b>Total</b>	<b>289.4</b>	<b>2,302.5</b>	<b>-2,013.1</b>

- ▶ **TOTALS** may not add due to rounding.
- ▶ Table reflects only those months for which there was trade.
- ▶ **SOURCE:** U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233
- ▶ <http://www.census.gov/foreign-trade/balance/c5380.html#2005>



## Let American Business become a part of your business



*Ambassador and Khulna Mayor visit Catalog Show Booth*

During America Week, the U.S. Trade Center held a catalog show entitled, **"Let American business become a part of your business"**. The Catalog Show included the U.S. Commerce Department's New Products USA catalogs. Catalogs of 46 companies were shown from different sectors, including Healthcare/ Medical equipment/Medicine, Software Security/ Computer/Digital World, Consumer Products, Lubricants/Car Care Products, Building Construction Equipment, Laboratory and testing equipment, Telecommunications, Water and waste-water technology, firefighting equipment, and many other sectors.

One of the highlights of America Week was a lunch on March 1 organized by the American Chamber of Commerce (AmCham) in association with the U.S. Embassy and sponsored by Bangla Cat (the local representative of Caterpillar). Business leaders, important personalities from Khulna, and AmCham members from Dhaka attended the lunch. In his speech, the Ambassador thanked the people of Khulna for their enthusiasm in supporting this event. He mentioned the seaport, the airport currently under construction, and the Mongla Export Promotion Zone as important factors for growth and development in the Khulna region. The Ambassador said there would be significant growth in the shrimp industry as Bangladesh develops stronger international compliance mechanisms. He added: "We, at the American Embassy, are doing our part to increase development in the different regions of Bangladesh. This America Week is our way of not just bringing Americana to Khulna but also encouraging investment and development in the region."

## The future of U.S. business in Bangladesh holds great promise



*Ambassador and Foreign Minister during the Trade Show*

On February 16, at the Fourteenth Annual U.S. Trade Show opening ceremony, Ambassador Harry K. Thomas said **"the future of U.S. business in Bangladesh holds great promise"** and emphasized that building a stronger business partnership with Bangladesh continues to be at the top of his agenda.

Praising the exhibitors' role in the trade show, the Ambassador said "After all, expanding trade begins with business people like you, buying and selling products and services to meet the needs of a growing Bangladeshi economy."

American products are of high quality and are available at affordable prices. The Ambassador said that he is confident that when buyers in Bangladesh get to know the superb quality of U.S. products, they will turn to the United States for more and more of their imported purchases. He added: "You will not find a higher commitment to technology, innovation and customer service from any other place than the United States."

From January to December 2004, the Ambassador noted, the United States imported over \$2.3 billion in goods from Bangladesh, while Bangladesh only imported \$289 million from the U.S. Pointing to this significant trading advantage in Bangladesh's favor that has persisted for the last few years, the Ambassador said "all of us need to re-double our efforts to promote the benefits of American goods and services."



## Corporate Responsibility: *U.S. corporations are setting new standards*

The concept of corporate responsibility is a much talked about issue in business today. Most multinational corporations today realize that doing business means not just making a profit but making a difference as well. Multinationals also recognize that with the growing global economy, making a difference means making a difference in the world community. U.S. companies are increasingly finding themselves a part of varying communities with different cultural, religious, and socio-economic standards. These varying circumstances afford them new opportunities to make a difference in these communities. Most of these multinationals are rising to the challenge and setting the standard for corporate governance and community involvement.

These companies are leading the charge in bringing positive change to every community they are in, including Bangladeshi society and to its most disadvantaged citizens. They are also helping raise awareness on important political, legal, and regulatory issues that need reform in order for Bangladesh to develop in a sustainable manner. In addition to being successful businesses, many of the American companies operating in Bangladesh, including Unocal Bangladesh, Citibank, Halliburton, American Express Bank, and American Life Insurance Company (ALICO), have shown themselves to be true models of corporate responsibility. The recent efforts in the flood and Tsunami relief are just a few examples of the significant role corporate entities play in providing relief, support, and development opportunities in the communities where they operate.

Through community involvement and commitment to charitable causes, these companies are leading the charge in revitalizing Bangladesh. These companies are making the difference for the people of Bangladesh through education programs, relief efforts, nutrition and healthcare initiatives, and through social reforms. These companies continue to be a positive reflection of the American ideal and progressive corporate governance. Responsible corporate behavior can be the catalyst for development, progress, and sustainable reform in society.

Here are three examples of responsible global corporate citizens that the American business community and, more importantly, the people of Bangladesh are lucky to have here in Bangladesh.

Caterpillar Corporation, represented by BanglaCAT, is one of the most respected companies in Bangladesh. But Caterpillar's reputation goes well beyond that, especially in the area of corporate responsibility. The Dow Jones regularly recognizes Caterpillar's leadership in corporate responsibility, naming it to the Dow Jones Sustainability World Index four years in a row. It was one of just 317 companies from 24 countries on the prestigious list in 2004. Some of the reasons for its tremendous success have been innovation and initiative when faced with challenges. Caterpillar's business model is based on the philosophy that innovation that helps the community and the environment can and will help the business enterprise succeed in the long-term.

Cargill, represented by W&W Grain, is another stellar example of responsible corporate citizenship. Cargill's mission is to be "the global leader in nourishing people". According to Cargill's CEO, Warren Staley, "nourishing" covers all that "is necessary for life, health and growth." Among Cargill's outreach programs is a \$5 million, five-year child development program sponsored by the Cargill Foundation that focuses mentoring and education to grade school students. Cargill is supporting them with concentrated mentoring, coordinated social work, and substantial enrichment programs. The goal of this project is to develop an integrated strategy that is successful, resource-efficient, and scalable, and then to share those lessons with others.

Microsoft, one of the most recognized names in business, has set standards in numerous areas of business, including community development. Microsoft's community development and education programs provide a wide range of support. The Unlimited Potential and Partners in Learning Initiatives project is just one of its numerous community development programs. Through this program, Microsoft is working with governments and communities in many different countries to promote workforce development and lifelong learning and digital literacy. In Latin America alone, Microsoft donated \$8.8 million in cash and software to support more than 650 community technology-learning centers in 17 countries. Microsoft has also invested \$9 million to provide technology training and education to millions of students and teachers in these 17 countries. Microsoft has similar programs in South Asia, including affordable software in local languages provided to students and teachers and millions in donations to education institutions.



## Commercial News USA

Commercial News USA has made it easy to learn more about products and services being offered by American companies. The new Commercial News USA online gateway includes a U.S. Exporters Directory that features information about products and services featured in the magazine, as well as direct links to the websites of American companies. Register online for free access to the new and improved Commercial News USA website at [www.export.gov/cnusa](http://www.export.gov/cnusa).

## Trade Barriers

While trade barriers and unfair practices take many forms, the most common examples are listed below:

1. Intellectual property infringement, including copyright, patent, and trademark infringement.
2. Customs procedures that are not uniformly applied.
3. Lack of competitive bidding for foreign government tenders.
4. The application of direct or indirect subsidies by a foreign government in favor of domestic suppliers.
5. Burdensome certification and testing requirements that are not required by domestic manufacturers.
6. Influence peddling - A corporate entity or country is interfering with fair trade practices at your expense.
7. Bribery, corruption, and requests for payoffs, which prevent you from competing fairly on the basis of price, quality, or service.

### *New Library at the American Center*

U.S. Ambassador Harry K. Thomas and the Minister of Education, Dr. Osman Faruk inaugurated the **American Center's new library** in a festive ceremony on March 21. This new facility will circulate books on a variety of subjects. Members will be allowed to borrow books and videos from the library on a temporary basis. For details, call the Center at **881-3441**.

## Trade Shows, Trade Shows And . . . More Trade Shows

Although the Embassy will not be leading a delegation to these shows, interested participants can obtain additional information by contacting the Embassy's U.S. Trade Center at 885-5500, Ext: 2902 or by visiting the trade show's website. Happy travels!

**Clinical Laboratory Expo 2005** will be held from July 24-28, 2005, Orlando, Florida. It is the hottest marketplace and largest exposition of its kind. In the show, there will be nearly 600 exhibitors displaying products and services and a full range of 250 sessions related to areas of concern to professionals in clinical laboratory medicine. For more information, please visit its website <http://www.aacc.org/2005AM/>.

**MAGIC International (Summer) 2005** will be held from August 29 - September 1, 2005, in Las Vegas, Nevada. MAGIC Marketplace is the best known and most comprehensive fashion industry trade event in the world. The show features men's, women's, and children's clothing and accessories from over 3,000 companies, 5,000 brands, and 20,000 product lines and has over 95,000 attendees from more than 80 countries. For more information, please visit its website <http://www.magiconline.com/home.htm>.

### **Pack Expo Las Vegas 2005 September 26-28, 2005, Las Vegas, Nevada**

Pack Expo Las Vegas 2005 will focus on the latest developments in packaging technology and will showcase exhibitors' state-of-the-art advances in packaging machinery, converting machinery, materials, packages and containers, and components. Food Processing Machinery Expo (FPM Expo) will co-locate with Pack Expo Las Vegas 2005, which will focus on the newest developments in processing technology to meet the challenges faced by the industry's food and beverage manufacturers. FPM Expo exhibitors will demonstrate state of the art equipment in the fruit and vegetable, beverage, canning/freezing, environmental, instrumentation, prepared foods, can production, meat, dairy and snack food industries. For more information, please visit its website <http://www.packexpo.com> for more information.



## Trade News

Trade and investment relations between the U.S. and Bangladesh continue to improve. Following are a few of the highlights:

- ▶ On April 21, UNOCAL started operating the Moulvibazar gas field. The Prime Minister inaugurated the new gas plants on April 5. Additional wells are under development and production is expected to begin in July/August. Under another Gas Purchase Agreement with Petrobangla, UNOCAL is also developing Bibyana gas field located at Nabiganj in Habiganj district. This field is expected to enter production by the end of 2006.
- ▶ American Healthcare Consortium, LLC has won a Bangladesh Government bid to set up and operate a modern hospital in Dhaka. This project is valued at \$30 million.
- ▶ A&W Company opened its first restaurant in Dhaka in December 2004 under a franchise deal with Global Suppliers Limited. The restaurant serves burgers and hot-dogs, in addition to its trademark root beer.
- ▶ Microsoft opened its first representative office in Bangladesh in November 2004. The office in Dhaka handles all aspects of service and sales.
- ▶ Bay Phones, a joint venture of Westec.Com Inc., USA and Westec Ltd., Bangladesh, will provide land phone services in the South East Zone of Bangladesh.

### TIFA

Senior US Trade Policy Adviser for Asia and Pacific Affairs, **Betsy E. Stillman**, visited Bangladesh in February 2005 to negotiate the Trade and Investment Framework Agreement (TIFA) with the Bangladesh Government. This visit followed months of talks and discussions on TIFA terms. The meetings were productive and the agreement is expected to be signed later this year. This agreement would serve as the first step toward further trade agreements.

### Double Taxation

In September 2004, Bangladesh and the United States signed an agreement on avoidance of double taxation. This tax treaty provides relief from the unfair and unnecessary burden of double taxation for businesses and individuals from either country doing business or

living in the other country. This treaty is especially beneficial for Bangladeshi teachers, students and trainees. They are allowed tax exemptions for the first two years of their studies or training in the United States.

### Bangladesh Healthcare Orientation Visit, May 31 - June 11, 2005

The U.S. Embassy organized a "Healthcare Orientation Visit" to the U.S. from May 31 through June 11, 2005, sponsored by the U.S. Trade and Development Agency (USTDA). Representatives from the public and private sector joined the delegation. The event was designed to introduce Bangladeshi healthcare delegates to U.S. hospitals, advanced medical technology, cutting-edge medical equipment and associated services. They had the opportunity to present their plans and project needs for the development of medical services in Bangladesh at briefings with representatives from the U.S. healthcare industry. The tour was planned around site visits in Washington, D.C., Pittsburgh, Milwaukee and Minneapolis. The Orientation Visit attracted numerous U.S. companies that are interested in the Bangladesh market.

### Bangladesh Road Show

The U.S. Embassy, with the Bangladesh Board of Investment, is organizing a Bangladesh Road Show to take place in the United States later this year. This event is expected to take a 25-member delegation of Bangladeshi business representatives and government officials for visits to multiple cities in the U.S. The delegation will not only have the opportunity to showcase Bangladeshi products and promote Bangladesh as an investment destination, but will have the opportunity to meet with and develop direct relationships with American corporations.

*In addition to the Orientation Visit and the Road Show, the Embassy is planning an Intellectual Property Rights Seminar in late July to raise awareness of this important issue. Stay tuned for more information on this and other Embassy events.*

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